

Vostok New Ventures Ltd.

Financial Report

For the Third Quarter and the First Nine Months 2017

- Net result for the period was USD 16.43 million (mln) (January 1, 2016–September 30, 2016: 83.93). Earnings per share were USD 0.19 (1.12).
- Net result for the quarter was USD 7.79 mln (60.85). Earnings per share for the quarter were USD 0.09 (0.79).
- The net asset value of Vostok New Ventures (“Vostok” or “the Company”) was USD 735.80 mln on September 30, 2017 (December 31, 2016: 725.52), corresponding to USD 8.68 per share (December 31, 2016: 8.47). Given a SEK/USD exchange rate of 8.109 the values were SEK 5,966.34 mln (December 31, 2016: 6,600.09) and SEK 70.39 (December 31, 2016: 77.02), respectively.
- The group’s net asset value per share in USD increased by 2% over the period January 1, 2017–September 30, 2017.
- During the quarter July 1, 2017–September 30, 2017, the group’s net asset value per share in USD decreased by 1%.
- On July 12, 2017, the Company announced that the Board of Directors had resolved to redeem the Company’s entire SEK 300,000,000 bond 2016/2019 with ISIN SE0008406367. The bond was redeemed due to the early repayment by Delivery Hero AG of its loan of EUR 25 mln to the Company. The Bond was redeemed on August 17, 2017.
- On June 22, 2017, the Company issued corporate bonds 2017/2020 of SEK 600 million within a total frame of SEK 800 million. The bonds mature on June 22, 2020 and carry a fixed interest rate of 5.50 per cent per annum with quarterly interest payments. Trading in the corporate bonds 2017/2020 commenced on July 19, 2017 at Nasdaq Stockholm.
- During the quarter, the Company has repurchased 775,852 shares (SDRs) under the Board of Directors’ existing repurchase authorization and renewed repurchase authorization of August 11, 2017.
- The number of outstanding shares (SDRs) at the end of the period was 84,732,357.
- At the end of the period the Company holds 955,952 repurchased SDRs.

Management report

Avito

Classifieds are among the best businesses in the world, whether horizontal or vertical. As we've argued for years at Vostok, dominant horizontal sites like Avito have achieved monetization per capita levels well above Avito's (Blocket, Marktplaatz), and we are thus optimistic that Avito, as a similarly dominant horizontal, can reach similar levels of monetization to these leaders (more than USD 10 per internet capita), and thus warrant future valuations that should be multiples of current. We'd point out, however, that monetization levels at vertical classifieds (REA for example at USD 20 per internet capita can exceed that of horizontals) or "multi-verticals" like Finn or TradeMe (each USD 30 per internet capita), exceeds even the potential of a pure horizontal. We'd contend that Avito is positioned to become a dominant multi-vertical rather than "just a horizontal", with monetization potential closer to Finn or Rightmove + AutoTrader than Blocket. And thus when framing Avito's potential, we should look at the potential of each of its verticals, rather than simply the monetization levels of a Blocket or Marktplaatz as reference. Later in this report we initiate a study of Avito as a collection of verticals and will over the forthcoming quarters revisit each of its verticals.

On current trading Avito delivered revenues of RUB 4 bln for the quarter ending September 2017, which is up 27% on the same quarter last year. For the first nine months of 2017 Avito's revenues are up 34%. As we have discussed before this slowdown in revenue growth is very natural and we expect revenues to continue growing in this sort of order for years to come. The comparison between Avito of today and Rightmove anno 2008 is still valid where Rightmove tripled revenues over the following ten years. I believe Avito will triple their revenues faster and crucially, like Rightmove under high margins. The growth of Avito's last quarter came whilst delivering EBITDA margins of 57%!!

Another example of the product development of Avito is their new Autoteka product. It offers a report on the history of a used car in Russia where you can see the actual mileage (regardless of whether someone has reset the car), change of ownership, accident reports etc. etc. Very valuable information in order to price a car correctly.

BlaBlaCar

As the latest significant BlaBlaCar transaction on market terms is now a year old, we have moved to a model-based valuation of the company. Although BlaBlaCar continues to build liquidity and has delivered strong growth of members, rides and GMV, net revenue has not developed as expected, which is reflected in our 17% lower valuation as per 3Q17 compared to the last quarter. Valuation models are not perfect and typically need to be based on financial numbers like revenues, but when building

marketplaces liquidity is everything. If sufficient liquidity is built (old rule of thumb is twice the size of all your competitors/alternatives combined) then monetization can start, revenues will grow and enormous value is created. Building liquidity takes time though, which is also one of the reasons why such large barriers to entry are created. We remain convinced of the network effects around BlaBlaCar's business model and believe that they, across all their active markets, will reach margins reminiscent of the online classified world. Reaching the same penetration as BlaBlaCar has in France in all countries will result in 150 mln+ members. Gauging the addressable market through number of trips displays an equally impressive upside. In Europe, there are 3 bln people-trips of a distance between 100-800 km annually. BlaBlaCar currently has less than two percent of this market.

I think it is reasonable in the long term to expect net revenues of EUR 5 per member, maybe more when adding on the new monetization products of insurance, etc. The math is easy and you reach EBITDA levels of EUR 400 mln+, which should see this company valued at EUR 10 bln+. Not tomorrow and not next year, but definitely an upside that is worth the wait - especially when the classical risk of competition is not present. Yes, there are alternative means of transportation like buses, but they cannot compete on the flexibility of door-to-door that BlaBlaCar offers travelers, only on the city center-to-city center routes.

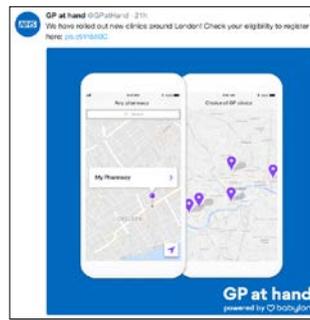
During the quarter we have added to our BlaBlaCar position by acquiring a small amount of secondary shares in the company.

babylon

We are very excited that babylon on November 6 launched their NHS GP service across most of London. This will allow any Londoner to choose babylon as their NHS GP. Like any NHS GP a flat rate is paid for every patient registered with it. Please see on next page some of the marketing materials used in connection with the launch last week.

Also, babylon was nominated winner of the Emerge Top 10 European Start-ups. babylon beat Blockchain, Improbable and Autonomo - all impressive AI businesses.

All in all, we continue to be very excited by our portfolio as well as deal flow. We have cash of USD 66 mln on the balance sheet and are continuously analyzing new deals alongside buybacks of Vostok stock. During the quarter, we have bought back close to 1% of the outstanding shares.



Avito study – a collection of verticals

Background

Classified companies are often divided into verticals (Rightmove, Autotrader, Zillow, REA Group, etc) or horizontals (Blocket, Leboncoin, OLX).

Verticals have the benefit of a more specialized offering and a more clearly defined market positioning, which often make them the go to resources for anyone who wants to sell something of value in that specific vertical. Furthermore, market-leading verticals become “must haves” for professional sellers and therefore have substantial pricing power. However, they have limited touch points with consumers. Horizontals, on the other hand, have a much higher stickiness with consumers. In the mobile age, they often get a piece of the very valuable real estate on consumers’ smartphones. In market after market, we have seen horizontals expanding their traffic market share at the expense of verticals. However, due to a too generic product, limited sales efforts and lack of a strong vertical positioning, they have historically not had the pricing power of verticals. They have also been seen as more vulnerable to disruptors (e.g., Facebook Marketplace) and to pressure on advertising revenues.

In the vertical vs. horizontal taxonomy, Avito is currently considered a horizontal. However, thanks to Avito’s deliberate verticalization strategy during the past 5 years, it also makes sense from an investor’s perspective to analyze and evaluate Avito’s long-term potential as a collection of verticals. In this study, we will provide our analysis supporting this view and also present our way of thinking of the potential future value of Avito if considered as a collection of verticals. In subsequent Vostok New Ventures reports, we will dive deeper into each of the verticals.

What are the key differences between a vertical and a horizontal?

In table 1 on page 4, we have done an overview of what we believe distinguishes verticals from horizontals in a number of key areas.

Where does Avito stand?

In each of these key areas, we think Avito is becoming more similar to the vertical classifieds players (table 2 on page 4).

Table 1: *What are the key differences between a vertical and a horizontal?*

	Vertical	Horizontal
Product and monetization	<ul style="list-style-type: none"> Dedicated for the vertical needs of both professional users and consumers Recurring subscription revenues from professional users 	<ul style="list-style-type: none"> “One size fits all” across categories “Pay as you go” monetization products
Organization and sales	<ul style="list-style-type: none"> Organization set up to serve the needs of the users in the vertical Large sales forces building relations with professional users, high share of total revenues from professionals 	<ul style="list-style-type: none"> Organization set up to serve the needs of the “lowest common denominator” across verticals Large share of self service sales, i.e. customers buying services directly online, large share of revenues from private users
Market positioning	<ul style="list-style-type: none"> The go to place when you want to sell or buy something of value Top of mind in the vertical, highest share of leads 	<ul style="list-style-type: none"> “Flea market”, mainly for used goods, low ticket items Number two after vertical specialist, complementary marketplace for lower end items

Table 2: *Where does Avito stand?*

Product portfolio	<ul style="list-style-type: none"> Increasingly tailored products to suit needs of each vertical. Products packaged into subscriptions that are sold on a recurring basis with high uptake among professional users Launched completely new vertical offerings in e.g. real estate (Domofond) and auto (Autoteka) to take advantage of market opportunities Custom made vertical products on the core Avito platform, e.g. CV database in Jobs Custom made software solutions for professional users (ActiAgent for real estate agents, ActiDealer for auto dealers, moving into other verticals as well with similar offerings)
Organization and sales	<ul style="list-style-type: none"> Heads of each vertical, Vertical unit in product and development team to solve vertical specific pain points Large, dedicated vertical commercial/sales teams with sales reps who have built long relationships for many years with key clients to build retention, step by step expanding ARPU as product offering grows
Market positioning	<ul style="list-style-type: none"> Top of mind in all categories Not just seen as a “flea market” but Avito Auto, Avito Jobs, etc., each have high awareness in their respective category. Market leader in each of the verticals.

Table 3: *Top down long term valuation of Avito using international benchmarks*

Vertical	Peer	Market size ratio compared to Russia	Implied market cap (USD bln)	Explanation of market size ratio (i.e. how the size of the peer’s market relates to the Russian market)
Auto	Auto Trader (UK)		2.9	Approximately same number of used cars sold per year. Price point in Russia lower
Real Estate	Rightmove (UK)		3.4	Number of transaction of secondary homes in Russia 2 times larger, but average UK home 3 times more expensive
Jobs	Seek (ANZ)		1.5	Russian job market substantially larger (6x), but average salary only a fraction of that in Australia and New Zealand.
Services	–		0.5	No good comparable publicly listed. Based on current run rate and Thumbtack raising at USD 1.3 bln
General	Mercadolibre (LatAm)		2.2	Mercadolibre’s addressable market 4.5 times larger in terms of population. GDP/capita relatively similar
Total			10.5	

Still, Avito gets considerable horizontal synergies

Still, Avito does get a lot of synergies through making common solutions and collaborating across verticals where it makes sense.

By working across verticals, Avito gets economies of scale versus purely vertical competitors. The economies of scale translate into lower costs than vertical competitors, which means higher margins which, everything else equal, warrants a higher valuation.

In addition to the above, Avito also has a considerable advantage by being a single entry point. As more and more traffic moves to mobile devices, the real estate on consumers screens becomes more and more valuable. Having a single entry point to a number of verticals is a great advantage here – consumers often simply do not bother to download multiple vertical offerings but tend to use one horizontal marketplace. This is reflected in the higher share of mobile traffic of horizontals compared to verticals, which can be seen in multiple markets.

Implications for how investors will look at Avito's future valuation potential

We believe there are three concrete implications for Avito's long-term potential when looking at Avito as a collection of verticals rather than a horizontal.

1. Higher pricing power to drive top line growth

By comparing Avito to other horizontals, we believe investors are underestimating the future earnings power of Avito given their current positioning in each of the verticals. The future earnings power of Avito is better estimated by benchmarking each vertical independently to vertical leaders in other market. Avito has moved away from selling “pay as you go” products to moving professional clients to recurring subscriptions, very much in line with the leading vertical players internationally.

2. Lower risk of disruption reduces discount rate and warrants higher multiples

Investors tend to view horizontals as more vulnerable for disruption than verticals, and this is probably reasonable. But given Avito's strong positioning in the verticals and given the high share of revenues coming from professional users in high ticket categories (a segment where social networks have historically been very weak), the risk of disruption in Avito's case is lower than for horizontal players.

Another risk factor has been pressure on advertising revenues as giants such as Facebook and Google take a larger and larger share of advertisers' revenues. Avito currently has a very low dependence on third party advertising revenues and we believe that future revenue growth will mainly come from other sources.

3. Synergies between verticals to deliver best in class margins

Avito has a cost advantage over vertical players due to fact that they can develop common solutions where it makes sense. Furthermore, advertising efforts also have scale effects since advertising for one vertical Avito brand often spills over to others. Lastly, Avito operates in a very large market and has already reached significant scale. We believe that Avito will be able to reach best in class margins of at least 70%.

Top down long-term valuation potential of Avito using international benchmarks

Given Avito's market position as the clear number one in the key verticals and their verticalized approach, we don't see any reasons for why Avito shouldn't be able to monetize in line with leading international vertical peers over time and therefore attract a similar market cap, adjusted to the transaction values in the verticals in Russia.

What we have done in table 3 (page 4) is to:

1. Look up an international peer with a position similar to the one we believe Avito will reach over time
2. Calculate a “market size ratio”, i.e. how the size of the peer's market relates to the Russian market. Here we have looked at both how the number of transactions compares and how the average value per transaction compares
3. Calculated an “implied market cap”, which essentially is the current market cap of the peer divided by the market size ratio

Reaching a level of revenues and profits that would justify a valuation north of USD 10 bln will not happen overnight (our fair value mark of Avito is USD 3.5 bln in this quarterly report as per September 30, 2017), but our view is that over time Avito should be able to reach such numbers given the “winner takes all” dynamics of the market and the company's position.

November 2017,
Per Brilioth

Portfolio structure – Net Asset Value

The investment portfolio stated at market value as at September 30, 2017, is shown below.

Company	Fair value, USD Sep 30, 2017	Percentage weight	Fair value, USD Dec 31, 2016	Fair value change per share, USD Year to date, 2017
Avito ²	458,543,052	56.8%	449,281,016	2% ¹
BlaBlaCar ²	110,731,802	13.7%	107,738,524	-17% ¹
Gett ²	61,029,349	7.6%	50,358,980	21% ¹
babylon ²	23,185,348	2.9%	–	7% ^{1,3}
Propertyfinder ²	22,330,467	2.8%	19,999,199	12% ¹
OneTwoTrip ²	14,958,960	1.9%	14,958,960	– ¹
Wallapop ²	13,533,279	1.7%	11,520,768	17% ¹
Merro ²	12,384,907	1.5%	12,384,907	– ¹
Hemnet (Merro Partners SA) ²	11,502,598	1.4%	10,252,714	12% ^{1,3}
Naseeb Networks (Rozee and Mihnati) ²	4,412,105	0.5%	4,034,693	9% ¹
Vezeeta (DrBridge) ²	1,833,313	0.2%	894,724	49% ¹
El Basharsoft (Wuzzuf and Forasna) ²	1,599,947	0.2%	1,158,956	15% ¹
KEH AB (YouScan, Yell.ru and EatOut.ru) ²	1,546,881	0.2%	3,515,204	-56% ¹
CarZar	1,500,000	0.2%	–	– ¹
Agente Imóvel	1,000,000	0.1%	–	– ¹
Carable (Garantibil) ²	–	–	2,198,526	-100% ¹
Delivery Hero AG, equity	889,274	0.1%	2,137,575	20% ¹
Delivery Hero AG, equity component	–	–	1,147,070	– ¹
Delivery Hero AG, debt	–	–	24,074,461	
Cash	66,552,241	8.2%	34,780,024	
Total investment portfolio	807,533,523	100.0%	758,134,913	
Borrowings	-72,486,047		-32,399,831	
Other net receivables/liabilities	756,958		-219,172	
Total NAV	735,804,434		725,515,910	

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.

2. Private equity investment.

3. Valuation change due to exchange rate movement.

Vostok New Ventures' number of shares as at September 30, 2017	6,166,470
Total Value (USD)	458,543,052
Share of total portfolio	56.8%
Share of total shares outstanding	13.3%
Value development Jan 1–Sep 30, 2017 (in USD)	2%

avito.ru



Avito is the largest and most liquid online classifieds platform in Russia, and the clear market leader in terms of visitors and ads. During January–September 2017, the company has continued to deliver strong growth and profitability. Avito's firm market-leading position has proven to be a key factor in terms of the potential to reach high profitability similar to that of peers in other countries. Avito is the leading brand and with strong brand awareness throughout Russia. Compared to western countries, Russia still lags behind in terms of low proportion of internet users in relation to the total population. According to International Telecommunication Union (ITU) Russia now has just over 100 mln internet users. The market for internet-related services continues to grow in correlation with an increased internet penetration. The Russian e-commerce market is also expected to grow with the increasing internet penetration and consumers and businesses migrating online.

Avito continues to strengthen its position in the key verticals, Auto, Real Estate, and Jobs and Services with an increasing product offering for professional sellers. Domofond, the designated real estate portal for the Russian market, launched in 2014, continues to grow and is the largest property vertical by visitors after Avito itself in the Russian market.

As per September 30, 2017, Vostok New Ventures values its stake in Avito to USD 458.5 mln (USD 3.5 bln for the entire company) on the basis of a EV/EBITDA peer multiples valuation model. This represents a 2.0% increase in valuation compared with Vostok's valuation as per year end 2016. The main driver of the revaluation in the quarter is a stronger ruble and slightly higher peer multiples during the third quarter of 2017 compared to the second quarter 2017.

As per September 30, 2017, Vostok New Ventures owns a 13.3% stake in the company on a fully diluted basis.

Other shareholders in Avito are Naspers (majority shareholder), Baring Vostok and the two founders.

In January 2017, Vostok New Ventures received USD 6.8 mln in dividends from Avito. The dividend payment was resolved at an Avito EGM in December 2016, and thus accounted for on Vostok New Ventures' balance sheet as per December 31, 2016. Vostok New Ventures received an additional USD 1.4 mln in dividends from Avito during the second quarter of 2017.

Key performance indicators July–September 2017¹

- Revenues of RUB 4,070 mln (USD 70.2 mln²), up 27% compared with the third quarter 2016 (RUB 3,203 mln).
- Adjusted EBITDA margin of 57% or RUB 2,326 mln (USD 40.1 mln²), compared with the third quarter 2016 (Adjusted EBITDA margin of 60% or RUB 1,911 mln).
- Listers³ amounted to 11.4 mln and grew by 11% compared to 10.3 mln for the same period previous year.

Avito Quarterly Key Performance Indicators

	Jul–Sep 2017	Jul–Sep 2016	Jul–Sep q-o-q change, %
Revenue, RUB mln	4,070	3,203	27%
EBITDA, RUB mln	2,326	1,911	
EBITDA margin	57%	60%	
Listers, mln	11.4	10.3	11%

1. Source: unaudited figures from Avito.

2. Translated with FX rate of 58.0169 as of September 30, 2017.

3. Source: internal company information.

BlaBlaCar

Vostok New Ventures' number of shares as at September 30, 2017	13,593,868
Total Value (USD)	110,731,802
Share of total portfolio	13.7%
Share of total shares outstanding	8.9%
Value development Jan 1–Sep 30, 2017 (in USD)	-17%*

* Attributable to change in valuation methodology and currency exchange differences.

 blablacar.com



BlaBlaCar connects people looking to travel long distances with drivers already going the same way, so that both can save money by sharing the cost of their journey. This model has made BlaBlaCar a leader of the global sharing economy with over 50 million members in 22 countries, and is helping to make road travel more efficient and affordable.

BlaBlaCar was founded in 2006 by Frédéric Mazzella, CEO, Francis Nappéz, CTO, and Nicolas Brusson, COO and has raised more than USD 300 mln in funding to date. Currently, BlaBlaCar operates in Benelux, Croatia, France, Germany, Hungary, India, Italy, Mexico, Poland, Portugal, Romania, Russia, Serbia, Spain, Turkey, Ukraine and the United Kingdom.

BlaBlaCar has during the last 12 months increased its efforts in emerging markets, especially in Russia, and has also launched the service in a number of South American markets including Brazil. The most recent markets to launch were the Czech Republic and Slovakia.

In May 2017, BlaBlaCar launched a new carpooling app for commuters, BlaBlaLines on two pilot routes in France, and in August 2017, BlaBlaCar was integrated as a transportation alternative in Google Maps in the markets where the service is available.

Since 2015, Vostok New Ventures has invested a total of EUR 107 mln into BlaBlaCar. The most recent transactions were completed during the second (EUR 5 mln) and third quarters (EUR 0.15 mln) of 2017.

As per September 30, 2017, Vostok New Ventures owns approximately 8.9% of BlaBlaCar on a fully diluted basis and the investment is valued on the basis of a valuation model focused on multiples of GMV (Gross Merchandise Volume) and revenue as the last transaction on market terms is approximately 12 months old.

Gett

Vostok New Ventures' number of shares as at September 30, 2017	18,171,609
Total Value (USD)	61,029,349
Share of total portfolio	7.6%
Share of total shares outstanding	3.6%
Value development Jan 1–Sep 30, 2017 (in USD)	21%

 gett.com



Gett is an on-demand mobility company changing how people move around and get items delivered.

A leading provider in Europe, Gett is currently active in four countries and across 100+ cities, including Moscow, London, and NYC. Gett's technology enables consumers to instantly book on-demand transportation, delivery and logistics. The addressable market for the company within its existing markets is worth some USD 30 bln. Of this Gett's revenues are typically some 15–30% depending on whether it is servicing a private or business client. In total, Gett has raised over USD 640 million in venture funding.

In contrast to Uber – its most well-known competitor, Gett is equally successful in both B2C and B2B markets, serving more than 7,000 corporations today, using its “Gett for Business” product. The corporate market offers higher profitability and also immense growth opportunities, as competition is lower. Also in contrast to Uber, Gett deals solely with licensed drivers, making it safe and valid option within European and NYC regulatory framework.

Gett's most recent shareholders include the Volkswagen Group, who invested USD 300 mln in the company in 2016, and Sberbank, who has provided the company with a seven-year USD 100 mln debt facility, which also includes an equity component.

In April 2017, Gett announced it had acquired JUNO, a competitor in NYC, for a total of USD 200 mln.

In October 2017, Gett announced a strategic partnership with Carey International for business travelers. The partnership expands Gett's global footprint to over 1,000 cities worldwide through Carey International's exclusive Global Franchise Network.

As per September 30, 2017, the Gett investment is valued at USD 61.0 mln, based on a valuation model following the company's progress since last funding round led by Volkswagen in 2016 (now more than 12 months old) and the acquisition of JUNO during 2017.

babylon

Vostok New Ventures' number of shares as at September 30, 2017	84,246
Total Value (USD)	23,185,348
Share of total portfolio	2.9%
Share of total shares outstanding	10%
Value development Jan 1–Sep 30, 2017 (in USD)	7%*

* Attributable to currency exchange differences.

 babylonhealth.com



babylon launched in 2015 and is a pioneer in personal digital healthcare globally. babylon's technology, available from any mobile phone or personal computer worldwide, aims to put an accessible and affordable health service into the hands of every person on Earth. babylon has brought together one of the largest teams of scientists, clinicians, mathematicians and engineers to focus on combining the ever-growing computing power of machines, with the best medical expertise of humans. babylon currently has over 900,000 registered patients in the UK, and also runs a pilot program in Rwanda. On November 6, 2017, babylon launched GP at Hand across most of London.

In April 2017, Vostok New Ventures invested GBP 17.3 mln in primary shares in babylon in the context of a larger GBP 48 mln (USD 60 mln) financing round.

As per September 30, 2017, the babylon investment is valued at GBP 17.3 mln (USD 23.2 mln), on the basis of this latest transaction in the company.

Propertyfinder

Vostok New Ventures' number of shares as at September 30, 2017	142,308
Total Value (USD)	22,330,467
Share of total portfolio	2.8%
Share of total shares outstanding	10.1%
Value development Jan 1–Sep 30, 2017 (in USD)	12%

 propertyfinder.ae



Propertyfinder Group was founded 10 years ago by Michael Lahyani and operates real estate classifieds platforms in seven countries across the MENA region (Middle East/North Africa). Propertyfinder is the clear market leader in UAE and Qatar and in at the top together with a few competitors in its other markets. Propertyfinder is headquartered in Dubai, employs more than 150 people and is profitable in its core markets as well as on group level in terms of EBITDA. During the second quarter of 2016, Propertyfinder announced that it had acquired a small competitor in Morocco. Vostok New Ventures invested USD 20 mln for 10% in primary equity of the company during the fourth quarter 2015. During the third quarter of 2017, Vostok New Ventures acquired a small number of secondary shares in the company for a total of USD 500k. The transaction is deemed small and not transacted at market terms and therefore not suitable as basis for valuation of the investment in Propertyfinder.

As per September 30, 2017, Vostok New Ventures values its stake in Propertyfinder to USD 22.3 mln (USD 220 mln for the entire company) on the basis of an EV/Sales peer multiples valuation model. This valuation represents an 12% increase in valuation compared to Vostok's initial investment into the company.

Group KPI development 3Q17

- Total page views are up 49.3% year on year
- Total sessions are up 43.9% year on year
- Total leads generated are up 46.6% year on year
- Total unique users are up 43.7% year on year

OneTwoTrip

Vostok New Ventures' number of shares as at September 30, 2017	96,228
Total Value (USD)	14,958,960
Share of total portfolio	1.9%
Share of total shares outstanding	14.6%
Value development Jan 1–Sep 30, 2017 (in USD)	–

onetwotrip.com



OneTwoTrip (OTT) is serving the underpenetrated USD 63 bln Russian travel market characterized by lack of focused local/foreign competition, and with inherent scalability via fully virtual inventory. It is the number one player in a leading e-commerce segment with the best overall product proposition, nimble and bottom-line focused executive team and rapidly growing mobile channel. Opportunity to participate in the ongoing growth in online penetration of travel products, coupled with diversification of revenue streams, including major upside opportunities in

- (1) hotel cross-sell,
- (2) dynamic packaging (tickets + lodging combo), and
- (3) geographic expansion.

In December 2016, Vostok New Ventures agreed to invest an additional USD 5.8 mln in OTT through a purchase of secondary shares from an existing investor in the company. The additional investment was disbursed in January 2017. Following the transaction, Vostok New Ventures owns 14.6% of the company on a fully diluted basis.

Vostok New Ventures has invested a total of USD 12.2 mln in OTT during 2015 and 2016. As per September 30, 2017, the company is valued based on price paid in the latest transaction in the company on fair market terms, which closed in August 2016.

Wallapop

Vostok New Ventures' number of shares as at September 30, 2017	21,872*
Total Value (USD)	13,533,279
Share of total portfolio	1.7
Share of total shares outstanding	2.9%
Value development Jan 1–Sep 30, 2017 (in USD)	17%

* Shares held indirectly through a limited partnership.

wallapop.com



Wallapop is an online marketplace that enables users to buy and sell goods in categories such as fashion, decoration, motorcycles, electronics, and more. The company was founded by Agustin Gomez, Gerard Olivé and Miguel Vicente in January 2013.

Wallapop has over a short space of time taken great strides in terms of market share in online classifieds in Spain and are also making good inroads to France. Wallapop is also active in the UK and in the US. During the fall of 2015, Wallapop increased its marketing efforts in the US, taking on competitors such as Craigslist and Ebay. In the second quarter of 2016 Wallapop announced it would merge its US business with Naspers' owned Letgo. As part of this merger the new US company raised further funding from its existing shareholders. During fourth quarter of 2016 the US joint-venture raised further funding to continue to build on its efforts on the US market.

In the end of 2016, Wallapop started monetizing in Spain letting users pay to highlight their listings for 24 hours. The price of the highlight varies slightly by type of product and region, but it is around EUR 2 in Wallapop's main urban markets such as Barcelona, Madrid and London.

Vostok New Ventures has in total invested approximately USD 9 mln in three separate transactions during 2015. As per September 30, 2017, Vostok New Ventures indirectly owns approximately 2.9% of the company and values its indirect stake in the company to USD 13.5 mln on the basis of the latest primary transaction in the company, adjusted for the latest transaction based valuation of Wallapop's share in Letgo US, both of which closed in 2017.

Merro

Vostok New Ventures' number of shares as at September 30, 2017	10,900
Total Value (USD)	12,384,907
Share of total portfolio	1.5%
Share of total shares outstanding	21.6%
Value development Jan 1–Sep 30, 2017 (in USD)	–

 merro.co

✳ Merro

Merro is an investment holding company that focuses on online marketplace businesses with network effects in developing markets. Merro was founded in 2014 by Henrik Persson, Michael Lahyani and Pierre Siri having each a third of the company. Henrik Persson was formerly Head of Investments at Kinnevik and is our partner from many ventures, most notably Avito. Michael Lahyani is the founder and CEO of Propertyfinder, the largest real estate property portal in the MENA region. Pierre Siri has a long background within online classifieds, which includes the role as CEO and investor in Blocket.se, the Swedish online classifieds asset that is today owned by Schibsted and in many ways the benchmark asset for online classifieds players globally.

Merro's portfolio includes a number of investments, most of which are online classifieds companies in the MENA region. These are Opensooq, the leading online classifieds operator in the MENA region, Propertyfinder, the leading property vertical in the MENA region, Dubicars, an early stage car classifieds site in the UAE and six other smaller investments.

- Opensooq represents the largest value in Merro's portfolio and in July 2017 Opensooq generated approximately 1.2 bln page views. Opensooq is on a clear path in becoming the "Avito" of the MENA-region.
- Propertyfinder represents the second largest value in Merro's portfolio. Over the past ten years, Propertyfinder has quickly become the leading real estate classified website in the UAE, Qatar, Bahrain and Lebanon and is growing in popularity in the Kingdom of Saudi Arabia, Egypt and Morocco.
- Dubicars generates more than a million weekly page views and has more than 400 active car dealers from across the UAE.

- CloudSight (formerly Camfind) is a technology company that simplifies the creation of classifieds listings dramatically through its API (application programming interface).
- Yta.se (formerly Objektia), a company that simplifies the process of finding commercial real estate to lease or purchase. By relaying relevant information about the property and its surroundings in a classic marketplace setting, Yta.se aims to be the Trulia of the commercial real estate industry.
- TipTapp, a mobile marketplace in Sweden which operates "reverse classifieds" whereby consumers can post listings with products they will pay to get rid of, most often bulky trash that would otherwise have to be transported to a recycling center or similar.
- QuintoAndar is an end-to-end real estate rentals service in Brazil that connects landlords and tenants. There are significant pain points within rentals in the country due to bureaucratic legislation that effectively requires a co-signer to guarantee rent obligations. QuintoAndar removes this friction by baking in a free insurance product to the end users' contract as well as improving the general processes of searching for properties, arranging viewings and contracts signing.

As per September 30, 2017, Merro is valued on basis of the latest transaction in the company that was finalized in the second quarter of 2016. Vostok New Ventures invested an additional USD 1.3 mln into the company alongside a number of new investors.

Hemnet

(Hemnet Sverige AB through Merro Partners SA)

Vostok New Ventures' number of shares as at September 30, 2017	81,024,902
Total Value (USD)	11,502,598
Share of total portfolio	1.4%
Share of total shares outstanding	5.9%
Value development Jan 1–Sep 30, 2017 (in USD)	12%*

* Attributable to currency exchange differences.

hemnet.se



Hemnet is Sweden's largest online property portal, founded in 1998, with two million unique visitors each week to its mobile and desktop products. In 2015, 220,000 real estate listings were published on Hemnet. Hemnet's mobile app has over 1.5 mln downloads on iOS and 630k on Android. During 2016, the company generated revenue of SEK 253.6 mln (2015: 182) and EBIT of SEK 67.4 mln (2015: 46.5). Hemnet has a strong position in the Swedish market with substantial network effects through its relationships with real estate brokers and home sellers alike, and is in an excellent position to continue to grow its business. For more information, please visit www.hemnet.se.

The investment in Hemnet was made through the co-investment vehicle YSaphis S.A., together with a consortium led by Henrik Persson and Pierre Siri, which alongside majority investor General Atlantic acquired Hemnet in December 2016.

In December 2016, Vostok New Ventures invested SEK 93.3 mln (USD 10.3 mln) in Merro Partners SA, formerly YSaphis S.A., which translates into an equity exposure of approximately 5.9% in Hemnet on a fully diluted basis immediately after closing. The transaction was closed in early January 2017. As per September 30, 2017, Vostok New Ventures values its investment on the basis of this transaction.

Naseeb Networks

(Rozee and Mihnati)

Vostok New Ventures' number of shares as at September 30, 2017	11,481,176
Total Value (USD)	4,412,105
Share of total portfolio	0.5%
Share of total shares outstanding	23.7%
Value development Jan 1–Sep 30, 2017 (in USD)	9%

naseebnetworks.com



Naseeb Networks operates leading employment marketplaces in Pakistan (Rozee) and Saudi Arabia (Mihnati) focused on facilitating the matching between jobseekers and employment opportunities. Its complete range of end-to-end employment solutions are used by over 10,000 companies and 5 million job seekers, processing over 1.5 million job applications every month.

Back in 2013, Naseeb Networks completed its acquisition of Mihnati.com, Saudi Arabia's largest indigenous recruiting solutions provider. After its initial market dominance in Pakistan, Naseeb Networks has grown Mihnati's profitability and visits by leveraging its advanced cloud based recruitment product portfolio, back office operations and business expertise in employment marketplaces.

Vostok New Ventures invested USD 4.5 mln in Naseeb during 2015 in connection with a total funding round that amounted to USD 6.5 mln and included participation from Piton Capital. As per September 30, 2017, Vostok New Ventures values Naseeb on the basis of a peer multiples valuation model as the latest transaction is more than 12 months old. The model, based on EV/Sales multiples of listed international peers in the recruitment and online classifieds space, generates a valuation of USD 4.4 mln for Vostok New Ventures' stake in the company. This is 9% higher than Vostok New Ventures' valuation as per December 31, 2016. The revaluation is driven by a decreased revenue forecast and higher peer multiples.

Vezeeta (DrBridge)

Vostok New Ventures' number of shares as at September 30, 2017	358,069
Total Value (USD)	1,833,313
Share of total portfolio	0.2%
Share of total shares outstanding	8.8%
Value development Jan 1–Sep 30, 2017 (in USD)	49%

vezeeta.com



Vezeeta is the MENA leader in Healthcare IT platforms. The company is pioneering the shift to automate the booking world of doctors creating a healthcare ecosystem by connecting various healthcare providers using our other digital cloud based solutions.

Vezeeta is solving major problems faced by patients when trying to reach doctors. Vezeeta is offering a free user friendly online search engine and app where one can search for doctors by speciality, area, and fees. More than 20,000 patients' reviews and rating are available to help patients decide on the doctor with the best medical service and the least waiting time.

During the third quarter of 2016, Vostok New Ventures invested USD 1.5 mln into Vezeeta in the context of a larger funding round. In April 2017, Vostok New Ventures invested an additional USD 0.33 mln in Vezeeta in an extension of the 2016 financing round.

As per September 30, 2017, the investment in Vezeeta is valued on the basis of this funding round.

El Basharsoft (Wuzzuf and Forasna)

Vostok New Ventures' number of shares as at September 30, 2017	339
Total Value (USD)	1,599,947
Share of total portfolio	0.2%
Share of total shares outstanding	17.0%
Value development Jan 1–Sep 30, 2017 (in USD)	15%

wuzzuf.net forasna.com



Wuzzuf is one of the leading jobs verticals in Egypt. Its main competitor is Bayt, a regional jobs vertical centered around UAE. Wuzzuf focuses on white collar workers with English CVs. In terms of monthly jobs postings within this area it leads versus Bayt and is quickly catching up also in terms of traffic. It has as much as 27% of the market for new graduates looking for jobs in its focus area.

Interestingly also it has a second brand, Forasna, which focuses on the enormous and virtually untapped blue collar market in Egypt. Although a younger venture compared to Wuzzuf, a successful product in this area is something that has a potential far beyond the borders of Egypt and with very little competition.

Wuzzuf was founded in 2009 by Ameer Sherif, an Egyptian national, who we believe is very driven. His ability to bootstrap the company, particularly through the political events of 2011, and turn it to profitability in 2014 is a testament to his dedication. The company is also backed by the company 500 Startups.

During the second quarter of of 2017, Vostok New Venture invested an additional USD 0.2 mln in El Basharsoft in the form of secondary shares in the company.

As per September 30, 2017, Vostok New Ventures values its investment into el Basharsoft on the basis of a peer multiples valuation model as the latest primary transaction is more than 12 months old. The model, based on EV/Sales multiples of listed international peers in the recruitment and online classifieds space generates a valuation of USD 1.6 mln for Vostok New Ventures' stake in the company. This is 15% higher than Vostok New Ventures' valuation as per year-end 2016 driven by higher peer group multiples.

KEH AB

(YouScan, Yell.ru and EatOut.ru)

Vostok New Ventures' number of shares as at September 30, 2017	8,808,426
Total Value (USD)	1,546,881
Share of total portfolio	0.2%
Share of total shares outstanding	33.9%
Value development Jan 1–Sep 30, 2017 (in USD)	-56%

youscan.io yell.ru eatout.ru



KEH AB owns and operates EatOut.ru and Yell.ru. KEH AB also owns a significant position in YouScan.

EatOut.ru is a table reservation app for restaurant goers, with over 1,000 restaurants signed up.

Yell.ru is an online local search utility with user reviews about local companies and services in Russia. Reviews help consumers make better-informed decisions when purchasing services or goods.

YouScan is a social media monitoring platform that helps brand owners to listen to consumer opinions posted online about their products and competitors, and manage their brands online. The company has seen strong growth during 2016 and 2017.

Vostok New Ventures values KEH AB on the basis of a valuation model for the holding in YouScan based on a revenue multiple. Following continued disappointing development of Yell and EatOut, these assets carry no value as per September 30, 2017. Vostok New Ventures owns 33.9% of KEH AB as per September 30, 2017.

CarZar

Vostok New Ventures' number of shares as at September 30, 2017	477
Total Value (USD)	1,500,000
Share of total portfolio	0.2%
Share of total shares outstanding	10.3%
Value development Jan 1–Sep 30, 2017 (in USD)	-

carzar.co.za



CarZar is a South African state-based used cars marketplace servicing consumers looking to sell their cars and auto dealers looking for inventory. CarZar prices the vehicles using national data and their own proprietary algorithm, to offer consumers a convenient way to sell their vehicle.

CarZar is founded and run by Michael Muller and Fernando Azevedo Pinherio out of Capetown, South Africa.

Vostok New Ventures invested USD 1.5 mln into CarZar during the second quarter of 2017 in the context of a larger financing round. As per September 30, 2017, Vostok New Ventures values its investment in CarZar on the basis of this latest transaction in the company.

Agente Imóvel

Vostok New Ventures' number of shares as at September 30, 2017	3,591
Total Value (USD)	1,000,000
Share of total portfolio	0.1%
Share of total shares outstanding	20%
Value development Jan 1–Sep 30, 2017 (in USD)	–

agenteimovel.com.br



Agente Imóvel is a Zillow-esque real estate classifieds company in Brazil, leveraging a proprietary, and for Brazil unique, database of real estate pricing. The company was founded in 2013 by three Swedes with a background in the Swedish IT sector. Agente Imóvel is the homeowner's companion during the complete home owning life cycle: buying, living, selling, renting, financing and more. The platform connects buyers, sellers, and brokers and is designed to provide easy-to-use information and tools for more informed, and therefore better, real estate decisions, for the home owners as well as the market professional. Price discovery, price trends and price comparisons are key platform concepts.

Vostok New Ventures has invested USD 1 mln in Agente Imóvel during the second quarter of 2017 and as per September 30, 2017, the investment is valued on the basis of this transaction.

Debt investments



Delivery Hero

In early July 2017 Delivery Hero (DH) repaid the EUR 25 mln loan following its listing on the Frankfurt stock exchange.

As per September 30, 2017, the remaining equity holding in Delivery Hero is valued at USD 0.89 mln as per the last closing price in September 2017.

Kite Ventures

Kite Ventures

Kite Ventures is a global venture investment company specializing in marketplace and transactional network investments. The firm seeks to invest in companies in Europe and New York. Kite Ventures was founded in 2009 and has invested over USD 250 mln across 20 portfolio companies.

As per September 30, 2017, Vostok New Ventures no longer has an outstanding loan to Kite following a final repayment during the first quarter of 2017. Vostok New Ventures owns an equity component linked to Kite Ventures' underlying portfolio, which as per September 30, 2017 is valued at zero.

Investments

During the third quarter 2017, gross investments in financial assets were USD 0.68 mln (2016: 4.00) and proceeds from sales were USD 0 mln (2016: 0). Investments concern additional cash investments in BlaBlaCar and Propertyfinder.

During the nine months period of 2017, gross investments in financial assets were USD 36.79 mln (2016: 21.54) and proceeds from sales were USD 2.55 mln (2016: 2.09). Investments concern cash investments in babylon, CarZar, Agente Imóvel and additional cash investments in BlaBlaCar, El Basharsoft, Vezeeta, Propertyfinder and cash investment in OneTwoTrip committed in late 2016 and paid in early 2017. Proceeds from sale concern the Delivery Hero pre-IPO share sale.

Group – results for the period and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD 20.79 mln (2016: 84.62), mainly coming from the revaluation of Avito and Gett. Dividend and coupon income was USD 1.36 mln (2016: 0.00).

Net operating expenses amounted to USD -4.53 mln (2016: -3.76).

Net financial items were USD -1.19 mln (2016: 3.06).

Net result for the period was USD 16.43 mln (2016: 83.93).

Total shareholders' equity amounted to USD 735.80 mln on September 30, 2017 (December 31, 2016: 725.52).

Group – results for the quarter

During the quarter, the result from financial assets at fair value through profit or loss amounted to USD 16.31 mln (2016: 61.06), mainly driven by the revaluation of Avito and Gett. Dividend and coupon income was USD 0.00 mln (2016: 0.00).

Net operating expenses amounted to USD -1.25 mln (2016: -1.05).

Net financial items were USD -7.27 mln (2016: 0.83).

Net result for the quarter was USD 7.79 mln (2016: 60.85).

Liquid assets

The liquid assets of the group, defined as cash and bank deposits adjusted for concluded but not yet settled share transactions, amounted to USD 66.6 mln on September 30, 2017 (December 31, 2016: 34.8).

Income statements – Group

(Expressed in USD thousands)	Jan 1, 2017– Sep 30, 2017	Jan 1, 2016– Sep 30, 2016	Jul 1, 2017– Sep 30, 2017	Jul 1, 2016– Sep 30, 2016
Result from financial assets at fair value through profit or loss ¹	20,793	84,626	16,308	61,063
Dividend and coupon income	1,357	–	–	–
Total operating income	22,150	84,626	16,308	61,063
Operating expenses	-4,530	-3,757	-1,246	-1,046
Operating result	17,620	80,869	15,062	60,017
Financial income and expenses				
Interest income	4,132	3,591	29	1,231
Interest expense	-5,943	-1,299	-4,591	-642
Currency exchange gains/losses, net	618	773	-2,710	243
Net financial items	-1,193	3,064	-7,272	832
Result before tax	16,427	83,933	7,790	60,849
Taxation	–	–	–	–
Net result for the financial period	16,427	83,933	7,790	60,849
Earnings per share (in USD)	0.19	1.12	0.09	0.79
Diluted earnings per share (in USD)	0.19	1.12	0.09	0.77

1. Financial assets at fair value through profit or loss (including listed bonds) are carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Result from financial assets at fair value through profit or loss' in the period in which they arise.

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2017– Sep 30, 2017	Jan 1, 2016– Sep 30, 2016	Jul 1, 2017– Sep 30, 2017	Jul 1, 2016– Sep 30, 2016
Net result for the financial period	16,427	83,933	7,790	60,849
Other comprehensive income for the period				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	131	-31	50	-15
Total other comprehensive income for the period	131	-31	50	-15
Total comprehensive income for the period	16,558	83,902	7,840	60,834

Total comprehensive income for the periods above is entirely attributable to the equity holders of the parent company.

Balance sheets – Group

(Expressed in USD thousands)

Sep 30, 2017

Dec 31, 2016

NON-CURRENT ASSETS

Tangible non-current assets

Property, plant and equipment	54	48
Total tangible non-current assets	54	48

Financial non-current assets

Financial assets at fair value through profit or loss	740,981	691,582
Loan receivables	–	24,074
Total financial non-current assets	740,981	715,656

CURRENT ASSETS

Cash and cash equivalents	66,552	34,780
Loan receivables	–	7,699
Tax receivables	495	317
Other current receivables	2,103	6,830
Total current assets	69,150	49,626

TOTAL ASSETS	810,186	765,330
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SHAREHOLDERS' EQUITY (including net result for the financial period)	735,804	725,516
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NON-CURRENT LIABILITIES

Long-term debts	72,486	32,400
Total non-current liabilities	72,486	32,400

CURRENT LIABILITIES

Non-interest bearing current liabilities

Tax payables	430	412
Other current liabilities	916	6,732
Accrued expenses	549	270
Total current liabilities	1,895	7,414

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	810,186	765,330
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Statement of Changes in Equity – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2016	23,520	42,996	-85	437,005	503,435
Net result for the period					
January 1, 2016 to September 30, 2016	-	-	-	83,933	83,933
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-31	-	-31
Total comprehensive income for the period					
January 1, 2016 to September 30, 2016	-	-	-31	83,933	83,902
<i>Transactions with owners:</i>					
Proceeds from shares issued	2,197	43,014	-	-	45,212
Redemption program	-	-	-	-6	-6
Value of employee services					
- Employees share option scheme	-	130	-	-	130
- Share-based long-term incentive program	-	58	-	-	58
Buy back of own shares	-16	-280	-	-	-296
Total transactions with owners	2,181	42,922	-	-6	45,097
Balance at September 30, 2016	25,701	85,918	-116	520,932	632,435
Balance at January 1, 2017	27,420	125,791	-168	572,473	725,516
Net result for the period					
January 1, 2017 to September 30, 2017	-	-	-	16,427	16,427
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	131	-	131
Total comprehensive income for the period					
January 1, 2017 to September 30, 2017	-	-	131	16,427	16,558
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	785	-	-	785
Buy-back of own shares (Note 7)	-306	-6,749	-	-	-7,055
Total transactions with owners	-306	-5,964	-	-	-6,270
Balance at September 30, 2017	27,114	119,827	-37	588,900	735,804

Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2017– Sep 30, 2017	Jan 1, 2016– Sep 30, 2016	Jul 1, 2017– Sep 30, 2017	Jul 1, 2016– Sep 30, 2016
OPERATING ACTIVITIES				
Result before tax	16,427	83,933	7,790	60,849
<i>Adjustment for:</i>				
Interest income	-4,132	-3,591	-29	-1,232
Interest expense	5,943	1,299	4,591	642
Currency exchange gains/-losses	-618	-773	2,710	-243
Result from financial assets at fair value through profit or loss	-20,793	-84,626	-16,307	-61,063
Dividend and coupon income	-1,357	-	-	-
Other non-cash adjustments	785	-58	351	-58
Change in current receivables	-1,863	7	-1,887	-6
Change in current liabilities	193	220	94	65
Net cash used in operating activities	-5,415	-3,589	-2,688	-1,047
Investments in financial assets	-36,912	-21,543	-680	-4,000
Sales of financial assets	2,546	2,094	-	-
Repayment of loan receivables	36,060	-	28,396	-
Dividend and coupon income	8,118	-	-	-
Interest received	1,773	1,512	314	506
Interest paid	-3,707	-	-3,707	-
Tax paid	-288	-106	-144	-43
Net cash flow from/used in operating activities	2,174	-21,633	21,490	-4,584
INVESTMENT ACTIVITIES				
Investments in office equipment	-	-52	-	-
Net cash flow used in investment activities	-	-52	-	-
FINANCING ACTIVITIES				
Change in interest-bearing loans	28,251	14,363	-37,655	-608
Proceeds from options issued to employees	-	130	-	130
Redemption program transaction fees	-	-6	-	-
Share issue in-kind transaction costs	-	-121	-	-121
Buy back of own shares	-6,806	-296	-5,420	-
Net cash flow from/used in financing activities	21,445	14,070	-43,075	-599
Change in cash and cash equivalents	23,619	-7,615	-21,584	-5,183
Cash and cash equivalents at beginning of the period	34,780	43,660	83,712	40,070
Exchange gains/losses on cash and cash equivalents	8,153	-1,702	4,426	-544
Cash and cash equivalents at end of period	66,552	34,343	66,552	34,343

Alternative Performance Measures – Group

As of July 3, 2016, new guidelines on APMs (Alternative Performance Measures) are issued by ESMA (the European Securities and Markets Authority). APMs are financial measures other than financial measures defined or specified by International Financial Reporting Standards (IFRS).

Vostok New Ventures regularly uses alternative performance measures to enhance comparability from period to period and to give deeper information and provide

meaningful supplemental information to analysts, investors and other parties.

It is important to know that not all companies calculate alternative performance measures identically, therefore these measurements have limitations and should not be used as a substitute for measures of performance in accordance with IFRS.

Below you find our presentation of the APMs and how we calculate these measures.

	9m 2017	9m 2016
Return on capital employed, % ¹	1.34	14.13
Equity ratio, % ²	90.82	94.64
Shareholders' equity/share, USD ³	8.68	7.87
Earnings/share, USD ⁴	0.19	1.12
Diluted earnings/share, USD ⁵	0.19	1.12
Net asset value/share, USD ⁶	8.68	7.87
Weighted average number of shares for the financial period	85,136,039	74,803,451
Weighted average number of shares for the financial period (fully diluted)	85,149,254	74,803,451
Number of shares at balance sheet date ⁷	84,732,357	80,315,814

1. Return on capital employed is defined as the Group's result for the period plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average total assets less non-interest-bearing liabilities over the period). Return on capital employed is not annualised.
2. Equity ratio is defined as shareholders' equity in relation to total assets.
3. Shareholders' equity/share is defined as shareholders' equity divided by total number of shares.
4. Earnings/share is defined as result for the period divided by average weighted number of shares for the period.
5. Diluted earnings/share is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.
6. Net asset value/share is defined as shareholders' equity divided by total number of shares.
7. Number of shares at balance sheet date as per September 30, 2017, excludes 955,952 repurchased SDRs.

Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2017– Sep 30, 2017	Jan 1, 2016– Sep 30, 2016	Jul 1, 2017– Sep 30, 2017	Jul 1, 2016– Sep 30, 2016
Result from financial assets at fair value through profit or loss	-350	336	-	272
Operating expenses	-4,675	-3,917	-1,259	-1,048
Operating result	-5,025	-3,581	-1,259	-776
Financial income and expenses				
Interest income	12,620	7,462	3,093	2,740
Interest expense	-5,870	-1,299	-4,518	-642
Currency exchange gains/losses, net	426	808	-2,905	253
Net financial items	7,177	6,971	-4,330	2,351
Net result for the financial period	2,151	3,390	-5,589	1,575

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2017– Sep 30, 2017	Jan 1, 2016– Sep 30, 2016	Jul 1, 2017– Sep 30, 2017	Jul 1, 2016– Sep 30, 2016
Net result for the financial period	2,151	3,390	-5,589	1,575
Other comprehensive income for the period				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,151	3,390	-5,589	1,575

Balance sheet – Parent

(Expressed in USD thousands)	Sep 30, 2017	Dec 31, 2016
NON-CURRENT ASSETS		
<i>Financial non-current assets</i>		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	–	1,147
Loan receivables	–	24,074
Receivables from Group companies	200,625	165,237
Total financial non-current assets	285,014	274,847
CURRENT ASSETS		
Cash and cash equivalents	61,619	27,639
Loan receivables	–	7,699
Other current receivables	28	45
Total current assets	61,647	35,383
TOTAL ASSETS	346,661	310,230
SHAREHOLDERS' EQUITY (including net result for the financial period)	272,664	276,783
NON-CURRENT LIABILITIES		
Long-term debts	72,486	32,400
Total non-current liabilities	72,486	32,400
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Liabilities to group companies	966	704
Other current liabilities	35	114
Accrued expenses	510	229
Total current liabilities	1,510	1,047
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	346,661	310,230

Statement of Changes in Equity – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
Balance at January 1, 2016	23,520	42,996	122,006	188,523
Net result for the period January 1, 2016 to September 30, 2016	-	-	3,390	3,390
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2016 to September 30, 2016	-	-	3,390	3,390
<i>Transactions with owners:</i>				
Proceeds from shares issued	2,197	43,014	-	45,212
Redemption program	-	-	-6	-6
Value of employee services:				
- Employees share option scheme	-	130	-	130
- Share-based long-term incentive program	-	58	-	58
Buy back of own shares	-16	-280	-	-296
Total transactions with owners	2,181	42,922	-6	45,097
Balance at September 30, 2016	25,701	85,918	125,390	237,010
Balance at January 1, 2017	27,420	125,791	123,571	276,783
Net result for the period January 1, 2017 to September 30, 2017	-	-	2,151	2,151
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2017 to September 30, 2017	-	-	2,151	2,151
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	-	785	-	785
Buy-back of own shares (Note 7)	-306	-6,749	-	-7,055
Total transactions with owners	-306	-5,964	-	-6,270
Balance at September 30, 2017	27,114	119,827	125,723	272,664

Note 1 Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the consolidated accounts for the Company 2016. The Company's 2016 annual report is available at the Company's website: <http://www.vostoknewventures.com/en/investor-relations/financial-reports/>

Note 2 Related party transactions

During the period Vostok New Ventures has recognized the following related party transactions:

USD thousand	Operating expenses		Current liabilities	
	9m 2017	9m 2016	9m 2017	9m 2016
Key management and Board of Directors ¹	-2,293	-1,479	-133	-128

1. Compensation paid or payable includes salary and bonuses to the management and remuneration to the Board members.

The Managing Director purchased Vostok New Ventures Ltd senior secured bond 2016/2019 during 2Q 2016 for USD 0.60 mln (SEK 5 mln) and he owned USD 0.60 mln (SEK 5 mln) per August 17, 2017, after which it was fully redeemed.

The costs for the long-term incentive programs (LTIP 2016 and LTIP 2017) for the management amounted to USD 0.75 mln, excluding social taxes. See details of the LTIP 2016 and LTIP 2017 in Note 6.

Note 3 Fair value estimation

The numbers below are based on the same accounting and valuation policies as used in the Company's most recent Annual Report. For more information regarding financial instruments in level 2 and 3 see note 3 in the Company's Annual Report 2016. The fair value of financial instruments is measured by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's assets that are measured at fair value at September 30, 2017.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	889	52,554	687,538	740,981
Total assets	889	52,554	687,538	740,981

The following table presents the group's assets that are measured at fair value at December 31, 2016.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	-	233,592	457,990	691,582
Total assets	-	233,592	457,990	691,582

The following table presents the group's changes of financial assets in level 3.

	Level 3
Opening balance January 1, 2017	457,990
Transfers to level 3	206,747
Change in fair value and other	22,801
Closing balance September 30, 2017	687,538

During the first nine months of 2017, six transfers between level 2 and 3 have been done. BlaBlaCar, Gett, Propertyfinder, OneTwoTrip, Merro and Carable have been transferred from level 2 to level 3. The investments in babylon, Wallapop, Hemnet, Vezeeta, CarZar and Agente Imóvel are classified as level 2 as the valuations are based

on the price paid in each respective transaction. Avito, BlaBlaCar, Propertyfinder, Naseeb Networks, El Basharsoft and KEH AB are classified as level 3 investments, based on valuation models using EBITDA and revenue multiples of comparable listed peers.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Investments in assets that are not traded on any market will be held at fair value determined by recent transactions made at prevailing market conditions or different valuation models depending on the characteristics of the company as well as the nature and risks of the investment. These different techniques may include discounted cash flow valuation (DCF), exit-multiple valuation also referred to as Leveraged Buyout (LBO) valuation, asset-based valuation as well as forward-looking multiples valuation based on comparable traded companies. Usually, transaction-based valuations are kept unchanged for a period of 12 months unless there is cause for a significant change in valuation. After 12 months, the Group usually derives fair value for non-traded assets through any of the models described above.

The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment's fair value, the valuation is adjusted accordingly. No significant events in the portfolio companies, which have had an impact on the valuations, has occurred since the latest transactions except as described below. The transaction-based valuations are also frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models when warranted.

Vostok New Ventures follows a structured process in assessing the valuation of its unlisted investments. Vostok New Ventures evaluate company specific and external data relating to each specific investment on a monthly basis. The data is then assessed at monthly and quarterly valuation meetings by senior management. If internal or external factors are deemed to be significant further assessment is undertaken and the specific is revalued to the best fair value estimate. Revaluations are approved by the Managing Director.

Avito

The Group's investment in Avito is valued as a level 3 investment as per September 30, 2017.

As per September 30, 2017, Vostok New Ventures has valued Avito on the basis of a EV/EBITDA multiples valuation model. The latest transaction in the company was announced on October 23, 2015. Naspers Ltd, one of Avito's shareholders, acquired secondary shares from other existing shareholders to increase its stake from 17.4% to 67.9% of the outstanding shares in Avito at an equity valuation of USD 2.7 bln, which included cash in the company of approximately USD 240 mln. The transaction closed in November 2015. Vostok New Ventures has deemed the latest transaction in the company not to be the best fair value estimate of Avito as per September 30, 2017. Avito has performed very well with revenue growth of approximately 34% y-o-y during 2017 YTD. Considering the time passed since the last transaction and the company's continued progress in mind, a future looking EV/EBITDA peer multiples model has been deemed to generate the best fair value estimate as per September 30, 2017. The model values Vostok's stake in Avito to USD 458.5 mln, or USD 3.46 bln for the 100% of the company. This is 2% higher compared with the model-based valuation as per December 31, 2016.

The peer group includes 10 listed online classifieds peers including REA Group, RightMove, Autotrader, Scout24 and 58.com. The average multiple of the peer group is 18.7x and the median multiple is 16.3x.

Below tables show the sensitivity in the model-generated valuation in relation to USD/RUB and the peer multiple used as per September 30, 2017.

	Sensitivity EBITDA multiple				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Avito investment, USD million	367	413	459	504	550

	Sensitivity USD/RUB				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Avito investment, USD million	375	409	459	499	561

BlaBlaCar

As per September 30, 2017, the BlaBlaCar investment is classified as a level 3 investment valued on the basis of multiples of GMV and revenue. Vostok New Ventures has invested a total of EUR 107 mln in BlaBlaCar and owns approximately 8.9% of BlaBlaCar on a fully diluted basis as per September 30, 2017.

	Sensitivity in model-based BlaBlaCar valuation as per September 30, 2017				
	-15%	-10%	+10%	+15%	
Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	94.1	99.6	110.7	121.8	127.3

Gett

As per September 30, 2017, the Gett investment is classified as a level 3 investment as it is valued on the basis of a valuation model based on discounted cash flows. The model is based on a five year forecast with the main assumptions of a 18.5% WACC and a 2.6% long-term growth rate. As per September 30, 2017, Vostok New Ventures' holding is valued at USD 61.0 mln.

	Sensitivity of WACC in model-based Gett valuation as per September 30, 2017				
	16.5%	17.5%	18.5%	19.5%	20.5%
Valuation of Vostok New Ventures' Gett investment, USD million	74.3	67.2	61.0	55.6	50.9

Propertyfinder

As per September 30, 2017, the Propertyfinder investment is classified as a level 3 investment as it is valued at USD 22.3 mln on the basis of EV/Sales-multiple valuation model. The median multiple of the peer group is 8.8x and consists of a number of listed real estate verticals including, but not limited to, Scout 24, RightMove and REA Group. The model-based valuation is approximately 12% higher than the previous transaction-based valuation.

	Sensitivity in model-based Propertyfinder valuation as per September 30, 2017				
	-15%	-10%	+10%	+15%	
Valuation of Vostok New Ventures' Propertyfinder investment, USD thousand	18,981	20,097	22,330	24,563	25,680

OneTwoTrip

As per September 30, 2017, OneTwoTrip is classified as a level 3 investment as it is valued on the basis of the latest transaction in the company priced at market terms which closed in August 2016. The company has been performing according to plan and the transaction-based valuation is in line with valuations of comparable listed peers. Although the transaction is just over 12 months old, it is deemed as the best fair value estimate of OneTwoTrip as per September 30, 2017. Vostok New Ventures invested an additional USD 5.8 mln into the Company in December 2016 and owns as per September 30, 2017 14.6% of the company on a fully diluted basis.

	Sensitivity in transaction-based OneTwoTrip valuation as per September 30, 2017				
	-15%	-10%	+10%	+15%	
Valuation of Vostok New Ventures' OneTwoTrip investment, USD thousand	12,715	13,463	14,959	16,455	17,203

babylon

As per September 30, 2017, the babylon investment is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. In the second quarter of 2017, Vostok New Ventures invested USD 21.7 mln (GBP 17.3 mln) in the company in the context of a USD 60 mln financing round.

Wallapop

As per September 30, 2017, Wallapop is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company and the latest transaction in the Wallapop-owned Letgo US, both of which were concluded during 2017. Vostok New Ventures did not participate in either transaction and its indirect stake in the company is valued at USD 13.5 mln.

Merro

As per September 30, 2017, Merro is classified as a level 3 investment and is valued on the basis of the latest transaction in the company, which closed in the second quarter of 2016. Vostok New Ventures invested an additional USD 1.3 mln into the company and the stake is valued at USD 12.4 mln. Although the transaction is just over 12 months old, it is deemed as the best fair value estimate of Merro as per September 30, 2017, as the significant holdings in Merro have been performing according to plan.

	Sensitivity in transaction-based Merro valuation as per September 30, 2017				
	-15%	-10%	+10%	+15%	
Valuation of Vostok New Ventures' Merro investment, USD thousand	10,527	11,147	12,385	13,624	14,243

Hemnet (through Merro Partners SA)

As per September 30, 2017, Hemnet is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in early January 2017. In December 2016, Vostok New Ventures invested a total of SEK 93.3 mln (USD 10.3 mln) in the company through the co-investment vehicle Merro Partners S.A.

Naseeb Networks

As per September 30, 2017, Naseeb Networks is classified as a level 3 investment as it is valued on the basis of a future looking EV/revenue peer multiples valuation model. The model values Vostok's stake in Naseeb Networks to USD 4.4 mln compared to USD 4.0 mln as per December 31, 2016.

The peer group includes 4 online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.0x and the median multiple is 7.7x.

	Sensitivity in model-based Naseeb valuation as per September 30, 2017				
	-15%	-10%	+10%	+15%	
Valuation of Vostok New Ventures' Naseeb investment, USD thousand	3,750	3,971	4,412	4,853	5,074

KEH AB (YouScan, Yell.ru and EatOut.ru)

Following the latest transaction in the company which closed in the first quarter of 2015, Vostok New Ventures owns 33.9% of KEH AB fully diluted. As per September 30, 2017, all value in KEH AB is derived from a sales-multiple based valuation of YouScan. Yell.ru and EatOut carry no value. This model-approach is deemed the best fair value estimate of KEH as per September 30, 2017. The model generates a valuation approximately 56% lower than the valuation used at year-end 2016.

	Sensitivity in model-based KEH AB valuation as per September 30, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' KEH AB investment, USD thousand	1,315	1,392	1,547	1,702	1,779

El Basharsoft

As per September 30, 2017, el Basharsoft (Wuzzuf and Forasna) is classified as a level 3 investment as it is valued on the basis of a forward looking EV/revenue peer multiples valuation model. The model values Vostok New Ventures' stake in el Basharsoft to USD 1.6 mln compared to the latest transaction in the company which closed in the end of July 2015 with a valuation of USD 1 mln for Vostok New Ventures' stake. Vostok New Ventures owns 17.0% of el Basharsoft on a fully diluted basis as per September 30, 2017 following a smaller secondary transaction in the company in the second quarter of 2017.

The peer group includes 4 listed online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.0x and the median multiple is 7.7x.

	Sensitivity in model-based el Basharsoft valuation as per September 30, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' el Basharsoft investment, USD thousand	1,360	1,440	1,600	1,760	1,840

Vezeeta

As per September 30, 2017, Vezeeta (DrBridge) is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company which is an extension of the financing round of 2016 and closed in the second quarter of 2017. Vostok New Ventures invested an additional 0.33 mln in the company. As per September 30, 2017 Vostok New Ventures values its investment in Vezeeta to USD 1.8 mln.

Change in financial assets at fair value through profit or loss

Company	Opening balance Jan 1, 2017, USD	Investments/ (disposals), net, USD	FV change, USD	Closing balance Sep 30, 2017, USD	Percentage weight of total portfolio
Avito AB	449,281,016	203	9,261,833	458,543,052	56.8%
BlaBlaCar	107,738,524	5,755,011	-2,761,733	110,731,802	13.7%
Gett	50,358,980	-	10,670,369	61,029,349	7.6%
babylon	-	21,709,025	1,476,323 ¹	23,185,348	2.9%
Propertyfinder	19,999,199	500,073	1,831,195	22,330,467	2.8%
OneTwoTrip	14,958,960	-	-	14,958,960	1.9%
Wallapop	11,520,768	-	2,012,511	13,533,279	1.7%
Merro	12,384,907	-	-	12,384,907	1.5%
Hemnet (Merro Partners SA)	10,252,714	-	1,249,884 ¹	11,502,598	1.4%
Naseeb Networks (Roze and Mihnati)	4,034,693	-	377,412	4,412,105	0.5%
Vezeeta (DrBridge)	894,724	333,334	605,255	1,833,313	0.2%
KEH AB (YouScan, Yell.ru and EatOut.ru)	3,515,204	-	-1,968,323	1,546,881	0.2%
El Basharsoft (Wuzzuf and Forasna)	1,158,956	236,786	204,205	1,599,947	0.2%
CarZar	-	1,500,000	-	1,500,000	0.2%
Agente Imóvel	-	1,000,000	-	1,000,000	0.1%
Carable (Garantibil AB)	2,198,526	-	-2,198,526	-	-
Delivery Hero AG, equity	2,137,575	-1,749,058	-500,757	889,274	0.1%
Delivery Hero AG, equity component	1,147,070	-797,046	-350,024	-	-
Total	691,581,816	28,488,328	20,911,137	740,981,282	

1. Attributable to currency exchange differences.

CarZar

As per September 30, 2017, CarZar is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the second quarter of 2017. Vostok New Ventures invested a total of USD 1.5 mln in the context of a larger financing round.

Agente Imóvel

As per September 30, 2017, Agente Imóvel is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the second quarter of 2017. Vostok New Ventures invested a total of USD 1.0 mln in the company.

Carable (Garantibil AB)

In April 2017, Garantibil applied for corporate restructuring. The restructuring failed, and the company was placed in bankruptcy on August 1, 2017.

Delivery Hero (equity)

As per September 30, 2017, the equity holding in Delivery Hero is valued on the basis of the latest closing price of Delivery Hero in September 2017 following its IPO. The valuation amounts to USD 0.89 mln.

Loan receivables

The fair value estimation of loan receivables relating to Delivery Hero and Kite Ventures (Kite was fully repaid in January 2017 and Delivery Hero in July 2017) is outlined in the table below.

Fair value estimation of loan receivables	Sep 30, 2017	Dec 31, 2016
Short-term	-	7,699
Long-term	-	24,074
Total loan receivables	-	31,773

As per September 30, 2017, the company does not have any outstanding loan receivables.

Current liabilities

The book value for interest-bearing loans, accounts payable and other financial liabilities are deemed to correspond to the fair values.

Note 4 Contingent liabilities

The Swedish Tax Agency (STA) has audited Vostok New Ventures AB's VAT returns for the period January 2013–December 2014 during 2015. According to the STA's decision, Vostok New Ventures AB is obliged to pay an additional amount of output VAT of SEK 13,767,907 together with tax penalties of SEK 2,753,579 (in total about USD 2 mln) on the services supplied to Vostok New Ventures Ltd. Vostok New Ventures AB has appealed the STA's decision to the administrative court. On June 1, 2017, the County Administrative Court in Stockholm issued its ruling in which they chose to agree with the Swedish Tax Agency. Vostok New Ventures AB has appealed the ruling to the Court of Appeal and currently sees no grounds for making provisions for potential additional taxes ensuing from this matter, which is also supported by our legal advisors. However, this is considered to be a contingent liability.

Note 5 Long-term debts

Bonds 2016/2019

On June 2, 2016, the Company announced that it had successfully placed three-year senior secured bonds in the amount of SEK 300 million. The bonds, maturing in June 2019, bore a fixed coupon of 6.50% with quarterly interest payments.

The bonds were listed for trading on Nasdaq Stockholm. The first day of trading was July 8, 2016. In view of the listing, the Company has prepared a prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The prospectus is available on the Company's website www.vostoknewventures.com and on the Swedish Financial Supervisory Authority's website www.fi.se.

On July 12, 2017, the Company announced that the board of directors had resolved to redeem the Company's entire SEK 300,000,000 bond 2016/2019 with ISIN SE0008406367. The bond was redeemed due to the early repayment by Delivery Hero AG of its loan of EUR 25 mln to the Company. The Bond was redeemed on August 17, 2017.

Bonds 2017/2020

On June 22, 2017, the Company announced that it had successfully placed three-year senior secured bonds in the amount of SEK 600 million within a total frame of SEK 800 million. The bonds, maturing on June 22, 2020, bear a fixed coupon of 5.50% with quarterly interest payments.

The bonds are listed for trading on Nasdaq Stockholm. The first day of trading was July 19, 2017. In view of the listing, the Company has prepared a prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The prospectus is available on the Company's website www.vostoknewventures.com and on the Swedish Financial Supervisory Authority's website www.fi.se.

The value of the bond debt as per September 30, 2017 was USD 72.5 million. The book values for long-term debts are deemed to correspond to the fair values.

Note 6 Long-term Incentive programs

LTIP 2016

At the 2016 annual general meeting held on May 17, 2016, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from January 1, 2016 through March 31, 2019, and encompasses a maximum of 430,000 shares, corresponding to a dilution of 0.59% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period August 31, 2016 through December 31, 2018. During the third quarter of 2017, the reported costs for the program amounted to USD 0.17 million.

LTIP 2017

At the 2017 annual general meeting held on May 16, 2017, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from January 1, 2017 through March 31, 2020, and encompasses a maximum of 450,000 shares, corresponding to a dilution of 0.53% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period May 16, 2017 through December 31, 2019. During the third quarter of 2017, the reported costs for the program amounted to USD 0.18 million.

Note 7 Depository receipt buy-back

During the quarter, 775,852 SDRs have been repurchased. The company currently holds 955,952 repurchased SDRs.

Note 8 Events after the reporting period

In November 2017, after the end of the period, Vostok New Ventures finalised a follow-on investment into CarZar in the amount of USD 1.5 mln.

Background

Vostok New Ventures Ltd was incorporated in Bermuda on April 5, 2007 with corporate identity number 39861. The Swedish Depository Receipts of Vostok New Ventures (SDB) are listed on Nasdaq Stockholm, Mid Cap segment, with the ticker VNV SDB.

As of September 30, 2017, the Vostok New Ventures Ltd Group consists of the Bermudian parent company Vostok New Ventures Ltd; one wholly-owned Cypriot subsidiary, Vostok New Ventures (Cyprus) Limited; one controlled Dutch cooperative, Vostok Co-Investment Coöperatief B.A.; and one wholly-owned Swedish subsidiary, Vostok New Ventures AB.

The financial year is January 1–December 31.

Parent company

The parent company finances the Cypriot subsidiary's operations on market terms. The net result for the period was USD 2.15 mln (2016: 3.39).

Financial and Operating risks

The Company's risks and risk management are described in detail in note 3 of the Company's Annual Report 2016.

Upcoming Reporting Dates

Vostok New Ventures' twelve months report for the period January 1, 2017–December 31, 2017 will be published on February 14, 2018.

November 15, 2017

Per Brilioth
Managing Director

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Report on Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Vostok New Ventures Ltd as of September 30, 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34.

Gothenburg, November 15, 2017
PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorized Public Accountant
Auditor in charge

Bo Hjalmarsson
Authorized Public Accountant

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